

EXECUTIVE DIRECTOR'S MONTHLY REPORT

DECEMBER 2006

Each month I establish, with input from the Directors, the priority issues on which management and the staff focus. This report summarizes the work that was accomplished during the month as well as other items I feel will give the Council a better understanding of what the staff and I are doing to accomplish our performance objectives.

I. Improve the efficiency and accountability of management within the organization

- Continuous Improvement. Staff Retreat - The retreat was conducted on November 7th. It was a forum for having an organization-wide discussion on the fundamental principles and values that we believe should guide how we work and to incorporate these values into our SCAG mission. Each work team came up with a draft values statement. The outcomes from the SCAG Staff Retreat will be reviewed by the Strategic Leadership Team and recommendations for organization action will be developed.

The other ongoing organizational improvement efforts consisting of the Strategic Leadership Team, Pilot Project Chartering, and Preliminary Performance Measures are moving forward.

Each of these projects will enhance organizational efficiency, communications and teamwork across the organization.

- Audit Status. The Subregion Preaward Audits are all completed. One or two reports have not been finalized.

OWP audits are in process for Gateway Cities COG, Western Riverside COG and San Bernardino (SANBAG). No major issues have been discovered so far. Additional OWP audits are scheduled for Ventura County Transportation Commission (VCTC) and Ventura County in January 2007, Coachella Valley (CVAG) in February 2007 and South Bay Cities COG in March 2007. OWP audits of Westside Cities, and Arroyo Verdugo will follow after that. All of these cover the three years ending June 30, 2006. Caltrans will do the OWP audits for Imperial Valley (IVAG), LA County and North LA County based upon their staffing availability.

The San Gabriel Valley COG Audit has been finalized, reviewed by the Audit Subcommittee, and sent to the COG. We are still awaiting the outcome of Caltrans review of other issues.

- FY 2007-2008 OWP Development Status. Development of the FY 2007-2008 OWP is well underway. Project request submittals were solicited from SCAG staff and the Subregions and received in mid-November. During December, project submittals will be reviewed and evaluated by SCAG Managers, Directors and Executive Management to ensure compliance with RC approved agency Outcomes and Federal/State requirements. Final project selection will occur by mid-January and preparation of the Draft FY 2007-2008 OWP will be completed by early February. The Draft FY 2007-2008 OWP will be presented to the Regional Council at the March 2007 meeting and submitted to Caltrans by March 2, 2007, in compliance with State requirements.

II. Provide support to the Regional Council in providing direction and leadership to SCAG

- On November 8th I conducted an orientation briefing with Councilmember Andy Masiel of the Pechanga Band of Luiseno Indians. In addition to the briefing, we discussed the steps needed to bring all the Indian Nations representation onto Committees.

- On November 10th I and Hasan met with Mike Roos, Odom Stamps, and Phillip Putnam, Mayor of South Pasadena on next steps for dealing with the 710 Gap Closure and the RTP revision focusing on the financing plan for the project.
- On November 16th, I attended the Coachella Valley Conference – “Transforming the Coachella Valley”, and participated on Panel 1: “Meeting the Infrastructure Challenges”. Many elected officials, City Managers, and Indian Nations attended the meeting. I covered the Three Valley Vision and Goods Movement strategies of the South West Alliance.
- On November 17th, I attended the Goods Movement Action Plan Integrating Working Group Meeting in Sacramento to review the final plan that was sent to the Governor. The primary emphasis of the meeting was Air Quality and Community Impacts.
- On November 21st I and Hasan met with Councilman Frank Hall, Chair of the Four Corners Policy Committee. We agreed that we would work together to streamline the advisory structure in the area and work to clarify the project list for the upcoming RTP.
- On November 21st I attended the Las Virgenes Malibu Council of Governments Annual Subregional Briefing in Agoura Hills, attended by the elected officials, City Managers, and Partnership agencies. I briefed the group on the status of the Regional Comprehensive Plan activities.
- On November 28th I met with the Executive Officers representing five of the six Local Agency Formation Commissions (LAFCOs) in our region: Joyce Crosthwaite, Orange County, Everett Millais, Ventura County, Sandy Winger, Los Angeles County and Kathleen Rollings-McDonald, San Bernardino County (also representing George Spiliotis, Riverside County). We had a dynamic discussion on common areas of interest related to growth forecasting including accounting for spheres of influence, potential annexations and incorporations. We also covered the housing allocation process and resulting infrastructure needs, Compass Blueprint and the Regional Comprehensive Plan (RCP). There was consensus to meet regularly to address our common issues. Our immediate action steps include data sharing for relevant chapters of the RCP, LAFCO review of the draft integrated growth forecast and a follow up meeting in March to evaluate the RHNA adjustment process for annexations in anticipation of appeals.
- On November 29th and 30th I attended the Blueprint Learning Network Workshop. The first day I participated in the session on “Environmental Outcomes and Public Participation”, and the second day, I participated in the session on “Water Supply and Water Quality and Regional Blueprint Planning. The objective of the session on water was to identify water quality water supply, and mitigation strategies for long-term water planning in California, and to identify opportunities for integrating water planning and regional blueprint planning. The other speakers for the water panel included John Woodling, California DWR, and Jonathan Bishop, L.A. Water Board. (See Compass/Blueprint later in the report) We are following up with John Woodling on how state bond measures could be used to develop our Water Chapter.
- As a member of the National Academy of Public Administration, I was asked to participate in a Congressional requested Panel to assess how the Corps of Engineers and Congress establish priority for flood control habitat conservation and navigation projects. Since the request arose from the national experience with New Orleans and Katrina, the panel met on November 5th and 6th at Louisiana State University. The panel is recommending a revised system including linking project priorities to larger regional strategies such as our water chapter.

III. SCAG Operations

- Personnel. The Manager of Member Relations interviews were held in November. A selection is anticipated in December. The Manager of Contracts interviews will be held on December 5th and a selection is anticipated by early January. Several other staff recruitments are underway.
- New Member Recruitment Strategy. SCAG is continuing to implement its New Member Recruitment Strategy. The Strategy focuses on building positive relationships with policy makers and city staff in non-member cities. Staff has created a specific action plan for each non-member city, including presentations to City Councils and meetings with city staff to discuss the benefits of becoming a member. SCAG will continue to aggressively pursue its non-member cities and is confident it will continue to increase its membership. We will bring that strategy to the Membership Committee and the Regional Council for input and help.
- USC has been selected as the consultant to deliver a new Leadership Development Program for RC Members. The administrative details are being finalized this month and we anticipate launching the program early in the new year.
- Training and Development/Professional Pathways. The wellness theme for December is Taming Holiday Stress. Complimentary flu shots were offered on November 9th and 36 staff received them. Speech communication and SAP training are on-going.

IV. Implement Adopted Regional Plan

- Maglev Business Case Development. Staff is also working with the IBI Group, our consultants on the Maglev passenger conceptual system design project, to investigate whether the business case can be enhanced with the addition of Maglev freight service. It is believed that the proposed Maglev system has the potential to serve dual purposes: the movement of passengers and the freight within the region. If proven cost-effective, a Maglev system that could accommodate freight service could potentially move cargo faster and more reliably than conventional truck and rail modes, thus creating value for users and revenue potential. A Maglev freight system could also provide the stimulus for a clustering of goods movement related activities including warehousing, assembly, distribution centers, and related services (including office, retail for goods movement industry employees, etc.). This clustering of activities provides significant creation of value in real property located in proximity of goods movement centers. I have also met with representatives of the Indian Tribal Governments regarding developable areas along the proposed Maglev alignment.
- Southern California National Freight Gateway Memorandum of Understanding (MOU). Staff is continuing its discussions with officials at both the Federal and State governments regarding their commitment to sign the MOU. In our discussions with Julie Nelson (USDOT head of the Intermodal Hot Spot Team), she indicated that USDOT is finishing its review of the MOU and is now awaiting comments from USEPA. A meeting has been tentatively scheduled between USDOT (*at the Secretary level*) in mid-December with USEPA (at the Administrator/Assistant Administrator and Region 9 levels) regarding their joint comments on the MOU. SCAG staff and the staff of the county transportation commissions and the ports are anticipating written comments by mid-December. In the meantime, USDOT has suggested that a signing ceremony be scheduled for mid-January to include high level USDOT and EPA officials, as well as Senator Feinstein, and key state and local officials. Alternatively, the signing ceremony may take place in Washington DC as part of the region's annual Consensus Trip visit, planned for late February or early March 2007. Details of the signing ceremony and date will be forthcoming. At the state level, it appears that the Business Transportation & Housing agency is on board with the MOU. However, before Secretary Sunne McPeak's departure, she indicated that the

Governor would need to authorize BT&H to sign the MOU on behalf of the state. Staff in conjunction with the CTC's are following up with the Governor's office. A status report on the MOU and follow-on steps is expected to be provided at the region-wide CEOs meeting on December 15th. On a related matter, I spoke briefly with the USDOT and EPA about an approach to expedite the environmental processing in connection with the conformity process relating to the RTP and SIP.

- Energy. SCAG completed the agreement (approved by the RC on April 6, 2006) with Southern California Edison to jointly deliver the 2006-2008 San Gabriel Valley Energy Efficiency Partnership Program. The program will identify and implement sustainable energy efficiency activities in San Gabriel Valley cities. SCAG will assist in the public outreach portion of the program. The program is funded by the California Public Utilities Commission through California utility customers.
- Compass Blueprint Program. I and some staff participated in the Blueprint Learning Network meetings this month (noted elsewhere in the report as well.) Attendees included three Cabinet Secretaries, several department directors (including HCD, Caltrans), and the Executive Director of the CTC. It was clear that these regional blueprint programs have been embraced by the State as the planning framework that they want to work within for State purposes. Our work is well regarded. At this meeting, we were notified that we would receive \$975,000 (out of a \$1.1 million request) for year 2 funding of our Compass/Blueprint Program.

V. Develop Additional Planning Efforts

- Regional Comprehensive Plan. Staff is continuing work with the RCP Task Force on approving preliminary performance outcomes for each RCP Chapter, and forwarding them to the appropriate policy committees. Once approved by the policy committees, these performance outcomes will form the basis for public outreach and involvement leading to the completion of a final Draft RCP in the summer of 2007. The staff and consultant team held a workshop on the development of the community open space portion of the Open Space and Habitat Chapter on November 6. Staff continues to work with various working groups and task forces advising on individual chapters. A second RCP workshop with the RC and policy committees is tentatively scheduled for the February Regional Council meeting day.
- Air Quality/Conformity. The South Coast Air Quality Management District (SCAQMD), in cooperation with the California Air Resources Board (CARB) and SCAG, has been holding a series of public workshops to discuss the Draft 2007 Air Quality Management Plan (AQMP) for the South Coast Air Basin. SCAG staff have been participating in these workshops, which are being held throughout the four-county air basin (Los Angeles, Orange, Riverside and San Bernardino). The intent of the workshops is to provide opportunities for participation in the AQMP development process. Public involvement is considered essential in building an innovative and technically sound AQMP that draws on the talents of individuals, business, the public sector, and nonprofit organizations.

I have participated in Executive Officer level meetings with SCAQMD and CARB (along with appropriate staff from each of the agencies) regarding policy issues associated with the 2007 AQMP for the South Coast Air Basin. Discussions have included the technological and policy constraints for achieving the new federal ozone and PM2.5 standards, future consideration of a State Implementation Plan (SIP) amendment to account for information and projects developed as part of SCAG's on-going goods movement strategy efforts, including critical data from a forthcoming comprehensive heavy-duty truck survey, and the implications of the different air quality attainment demonstration modeling techniques advocated by SCAQMD and CARB.

One of the control measure proposed by SCAQMD which has drawn stakeholder reaction is "Emission Reductions from New or Redevelopment Projects." The stated purpose of this control measure is to mitigate emission growth from new development and redevelopment projects, including emissions associated with development, use of consumer products, landscape maintenance, new stationary source processes such as fuel combustion, as well as emissions generated during construction activities. The SCAQMD has convened a working group (of which SCAG is a member) involving stakeholders from the industry, local governments, and the community representatives to further explore several suggested approaches to achieve reduction targets. SCAG staff will work with SCAQMD to ensure any measure adopted complements the development goals adopted by SCAG. Executive Officer level tri-agency meetings will continue during the AQMP development process to address these and other policy and technical issues.

- Forecasting. During an intensive two-week period, and with help from the entire agency, Community Development staff and consultants recently completed 15 Integrated Growth Forecast workshops in each of the SCAG subregions. The workshops garnered participation from approximately 90% of jurisdictions, with planning directors and their staff as well as local stakeholders providing input on the Integrated Growth Forecast being developed for the Regional Transportation Plan (RTP), as well as the Regional Housing Needs Assessment (RHNA). Workshops were structured in two parts; the first centered on gathering input on the forecast horizon year of 2035 as related to the RTP, while the second focused on the RHNA and specifically the 2158 Planning Factors as they pertain to individual jurisdictions. Participants also offered feedback and revisions to the Compass 2% Opportunity Areas identified during the 2004 RTP development workshop period. Staff is in the process of scheduling meetings with individual subregions and local jurisdictions to discuss any issues and concerns related to the Integrated Growth Forecast.
- RHNA. Public and subregional outreach on Regional Housing Needs Assessment growth forecast and policy issues took place during November. The subregional workshops kicked off on October 30th and ran through November 15th. The workshops are important in terms of developing a fair share of growth anticipated across cities and counties through 2014 for the next RHNA cycle and through 2035 as a long-range vision. Emerging issues from the workshops include, how do we accommodate annexations and the resulting exchange of housing needs; concern about the need to receive housing credit for units built at the conclusion of the last cycle, delegation considerations and length of time subregions have to decide to accept and length of time to perform; requests for SCAG to re-evaluate city level input that seems contradictory to trend and results in an artificially lowered housing need number. Comments were welcome during the workshops and jurisdictions have been encouraged to submit written comments and input after the workshops.
- Housing Bond. SCAG will be working with staff from HCD, the Governor's office, the legislature and the California Transportation Commission on policies for allocating the bond funds approved in the recent election. The housing bond, in particular, needs significant further legislation and rulemaking to establish policy for distributing funds that should be made consistent with SCAG's housing and Compass Blueprint regional policies. For example, funding could be prioritized for jurisdictions and projects that demonstrate progress toward meeting housing needs identified in RHNA, that fall within Compass Blueprint 2% Opportunity Areas or that involve mutually beneficial trades and transfers of housing need among jurisdictions.

HCD has indicated that they will recommend that regional Blueprint planning efforts be taken into account in the distribution of bond funds. With a completed Compass Blueprint Growth Vision that is beginning to be realized on the ground, and an ongoing RHNA process, SCAG is well positioned to leverage housing bond funds to implement these regional plans. I met with Lynn Jacobs, the Director of HCD, and she agreed that the initial allocation of Housing Bond monies in January 2007 priority points would be given to cities that exceed their housing target.

VI. Data & Planning Methods

- 2006 State of the Region Press Conference. Staff has completed the 2006 State of the Region report, which has been reviewed by the Benchmarks Task Force and SCAG Senior Management. The report assesses the performance of the region with regard to the economy, transportation, housing, environment, energy and education. The report is scheduled for release at 11:00 a.m., on December 14, 2006, through a press conference at SCAG's downtown Los Angeles offices. The press conference is scheduled to include remarks by SCAG President Supervisor Burke, Benchmarks Task Force Chair Mayor Loveridge, Vice Chair Councilmember Cook and me.
- New Travel Simulation Model. The new SCAG Travel Simulation Model design and implementation on the TransCAD platform is complete. The new model takes advantage of the most advanced microcomputer hardware technology, uses digital aerial photography as the basis for transportation network representation, and employs Metro's transit itinerary database for detailed descriptions of transit routes and services. The new model has been calibrated to empirical data at the regional level and meets or exceeds most federal validation standards. The model has been applied to regional and air basin emissions analysis with results consistent with the Interim Model which provided input to the 2007 Air Quality Management Plan. Staff continues to refine and enhance various model components in consultation with members of the Modeling Task Force. Work on forecasts for the next Regional Transportation Plan has begun with the preparation of future year 2030 Baseline transportation networks and other model input parameters.
- Integrated Regional Information System. The Integrated Regional Information System (IRIS) is an application that will provide an electronic catalog of SCAG's information resources. The project is intended to improve data management and facilitate accessibility in support of various planning and program needs in a cost effective way. Earlier this year, staff initiated and completed an IRIS needs assessment and feasibility study with consultant assistance. On November 27, 2006, staff and the consultant team briefed Executive Management on the study's findings. This report summarized 28 interviews with staff throughout SCAG to identify IRIS requirements and recommended various options for implementing IRIS. The next step is to develop a scope of work and implementation plan that incorporates those recommendations. Executive management has asked the Strategic Leadership Team to provide further guidance in implementation. In the meanwhile, the Data and Monitoring Division will begin implementing portions of the recommendations that relates to their work, such as developing metadata standards and implementing the standards for all GIS data.

VII. Legislative and Communication Programs

- RHNA Pilot. Senator Lowenthal has introduced the RHNA Pilot as SB 12. It is our understanding that Legislative Counsel has made some changes to the language, which the Regional Council approved at its November meeting. We expect the bill to be in print in the next few days and staff will provide a report to CEHD and the Regional Council on any changes, which were made.
- State Bond Measure - Transportation Infrastructure. Staff met with the county transportation commissions to discuss potential areas where SCAG can provide assistance in facilitating the project nomination process for the Corridor Mobility Improvement Account (CMIA). The CMIA is a funding category under Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (passed by voters on November 7, 2006).

In order to ensure that the SCAG region is allocated its fair share of resources under the CMIA program, SCAG's transportation partners must submit a competitive set of projects that meet the performance criteria set forth by the California Transportation Commission. Staff discussed the possibility of working alongside the region's transportation partners to provide assistance in evaluating data inputs/assumptions; providing modeling assistance to better evaluate overall project benefits; running the Cal Benefit/Cost model; and identifying loop detector needs along project corridors. Staff also discussed the potential for RTIP/RTP amendments as may be needed to move forward with CMIA project nominations.

- Tribal Nation Discussion. On November 17, 2006, SCAG staff and our Sacramento lobbyist, met with representatives of OPR, CALTRANS and the Governor's staff, to try to address the Governor's concerns regarding his veto of AB 2762 (Levine) which would have removed one of the legal barriers to the Tribal Nations joining the SCAG JPA. Member's of the Governor's office, reiterated his desire to work with SCAG but said no specific approach for the language has been determined yet.

We will be following up with the staff of both the Governor and Assembly Member Lloyd Levine. Assembly Member Levine has told us that he intends to reintroduce a bill similar to AB 2762. He also noted that the San Diego region has expressed interest in a similar measure.

- Federal Consensus Trip. Staff is continuing to work on the logistics and development of program materials for the federal consensus trip. We are also working on addressing the issue which recently arose with the announcement that the CTC has scheduled a hearing regarding allocation of some of the bond funds for a day which overlaps with the consensus trip.
- Overview of Election. The election in November resulted in a complete turnover of leadership in both the US Senate and the House of representatives. Democrats will be taking control of key committees of interest to SCAG. An attachment to the RC briefly outlines certain of the noteworthy changes.